

# EXHIBIT B

# MEMORANDUM



TO JACK GRAVE

FROM E. R. WILLIAMS *ERW*

DATE JULY 14, 1989

SUBJECT FREEWAY LEASE 5-13

Attached is a copy of the freeway airspace lease relative to Huron Street. Because of the recent announced changes in the Administrative department, you should begin to make the monthly payment of \$1,075. The July payment was included with the deposit made at the time of the bid. As previously discussed, starting in January the monthly charge will be a plant expense, but until that time the rental should be charged to Lawry's corporate general and administrative, R.C. 6421.

ERW/lak  
Attachment

cc: M. Deckers w/copy of lease  
D. J. Strickland w/copy of lease  
S. Newcomer w/original lease

PAY TO ACCT. 3751-01

CHARGE: E.C. (DEBIT NOTE)

8509-A-6421

**DEPARTMENT OF TRANSPORTATION**

DISTRICT 7, 120 SO. SPRING ST.  
LOS ANGELES, CA 90012  
TDD (213) 620-3530



July 6, 1989

Freeway lease Area  
LA-5-13-001-02

Lawry's Foods, Inc.  
570 West Avenue 26  
Los Angeles, CA 90065

Attn: Ed Williams

Dear Mr. Williams:

Here is your copy of the lease agreement for the above mentioned Freeway Lease Area. Please keep this copy with your files.

I will be the new agent handling the property management of this and the other Freeway Lease Areas under contract between Lawry's Foods, Inc. and Caltrans. Mr. Lundblad has transferred to another District. Please direct questions and correspondence to my attention.

Sincerely,

A handwritten signature in black ink, appearing to read "V. Messer".

VICCI MESSER  
Right of Way Agent  
Airspace Development  
(213) 620-3792

VM:nah

Enclosure

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STATE OF CALIFORNIA

DEPARTMENT OF TRANSPORTATION

LEASE covering premises known as FREEWAY LEASE NO.  
7-LA-5-13 in the City of Los Angeles, County of Los Angeles  
THIS LEASE, made and entered into this 1st day of  
June, 1989, by and between the STATE OF CALIFORNIA,  
acting by and through its Department of Transportation,  
hereinafter called the LESSOR AND Lawry's Foods, Inc.  
\_\_\_\_\_ of Los Angeles  
hereinafter called the LESSEE.

WITNESSETH

That the Lessor, for and in consideration of the  
covenants, conditions, agreements and stipulations, of the  
Lessee expressed, does hereby lease unto the said Lessee of  
those certain premises situate in the City of Los Angeles,  
County of Los Angeles, State of California, sometimes  
designated as "Freeway Lease Area No. 7-LA-5-13",  
said demised area being shown on the map or plat attached  
hereto, marked "Exhibit A", and by this reference made a part  
hereof, and more particularly described as follows:

EXCEPTING THEREFROM all those portions of the  
above-described property occupied by the supports and  
foundations of the viaduct.  
ALSO EXCEPTING THEREFROM all that portion of said  
property above a horizontal plane 3 feet below the  
underside or soffit, whichever is lower, of the viaduct  
which plane extends to the vertical boundaries of the

1 above-described property. The parties hereto covenant and  
2 agree as follows:

3 1. TO HAVE AND TO HOLD the leased premises, together with the  
4 appurtenances, fixtures, rights, privileges, and easements  
5 thereunto belonging or appertaining, unto the Lessee, for  
6 the term of two (2) years, commencing on the 1st day of  
7 July, 1989, and ending on the 30th day of June,  
8 1991, at a total rental of Twenty Five Thousand Eight  
9 Hundred Dollars (\$ 25,800.00 ), payable in monthly  
10 installments of \$1,175.00, in advance in cash to the Lessor  
11 at the office of the State of California, Department of  
12 Transportation, 120 S. Spring St., Rm. 357, Los Angeles CA  
13 90012, starting on the 1st day of July, 1989,  
14 and on or before the first day of each and every month  
15 thereafter. Receipt is hereby acknowledge acknowledged by  
16 Lessor of the sum of \$2,150.00 from the ~~De~~<sup>PLD</sup> Lessee in payment  
17 for the first and last month's rental under this Lease.  
18 Receipt of an additional amount of \$ 500.00 is also  
19 acknowledged as a guarantee of the faithful performance of  
20 the terms and conditions of this Lease.

21 2. The leased premises shall be used during the tenancy  
22 hereof exclusively for the purpose of a parking lot for  
23 operable vehicles, including recreational vehicles and  
24 boats. Wrecked or inoperable vehicles shall not be parked  
25 or stored thereon.

26 3. The Lessee shall not install facilities for, nor operate  
27 on the premises, a gasoline or petroleum supply station;

1 nor shall vehicles used or designed for the transportation  
2 of gasoline or petroleum products be permitted on the  
3 premises; nor shall bulk storage of gasoline or petroleum  
4 products be permitted on the premises.

5 4. No improvements or alterations, of any kind or character,  
6 shall be made on, in, or upon said premises, under penalty  
7 of forfeiture of this Lease and the payment of damages by  
8 Lessee.

9 5. No storage of materials deemed by the Lessor to be a  
10 potential fire or other hazard to the highway will be  
11 permitted, and the operation and maintenance of the space  
12 will be subject to regulation by the Lessor to protect  
13 against fire or other hazard impairing the use, safety,  
14 and appearance of the highway. The occupancy and use of  
15 the area shall not be such as will permit hazardous or  
16 unreasonably objectionable smoke, fumes, vapors or odors  
17 to rise above the grade line of the highway.

18 6. Lessee agrees:

19 a. To pay all taxes and assessments that may be legally  
20 assessed on Lessee's possessory interest or on any  
21 improvements or equipment placed by Lessee on said  
22 premises during the continuance of the tenancy hereby  
23 created.

24 b. To pay all charges for water furnished to the  
25 herein-described premises through a meter to be  
26 contracted for by Lessee, if any.

27 c. To pay all charges for electricity furnished or

1           supplied to or upon any part of the leased premises,  
2           if any; and said electricity shall enter said leased  
3           premises through a meter to be contracted for by the  
4           Lessee.

5       7.   Not more than two (2) advertising signs of a size not  
6           greater than thirty (30) square feet of surface area may  
7           be erected on the premises. The wording on such signs  
8           shall be limited to the Lessee's name or trade name, the  
9           words "Parking", or "Auto Parking", a statement of rates,  
10          and a directional arrow. The Lessee is permitted to erect  
11          such directional or operational signs as may be required.  
12          No signs shall be attached to or painted on the bridge  
13          structure, and all signs shall be subjected to the  
14          approval of the Lessor.

15       8.   No vending of any kind or character shall be conducted,  
16           permitted, or allowed upon the leased premises.

17       9.   The Lessee shall, at his sole expense, keep and maintain  
18           the leased premises free of all grass, weeds, debris, and  
19           flammable materials of every description, and at all times  
20           in an orderly, clean, safe, and sanitary condition. A  
21           high standard of cleanliness, consistent with the location  
22           of the area as an adjunct of the State of California  
23           Highway System, will be required.

24       10.  The Lessee shall secure all necessary permits required in  
25           connection with operations on the leased premises and  
26           shall comply with all Federal, State, and local statutes,  
27           ordinances, or regulations which may affect, in any

1           respect, Lessee's use of the leased premises.

2       11. The Lessee, at Lessee's own cost and expense, shall  
3       maintain said premises, including all driveways and fences  
4       and guardrails. The Lessee shall take all steps necessary  
5       to effectively protect the fences and guardrails, and the  
6       piers and columns of the viaduct from damage incident to  
7       Lessee's use of such premises, all without expense to the  
8       Lessor. The Lessee shall be liable to and shall reimburse  
9       the Lessor for any damage to said fences, guardrails,  
10      piers, or columns in any way resulting from or  
11      attributable to the use and occupancy of said premises by  
12      the Lessee or any person entering upon the same with the  
13      consent of the Lessee, expressed or implied.

14      12. Lessee shall occupy and use said leased premises at his  
15      own risk and expense, and shall save the Lessor, its  
16      officers, agents, and employees, harmless from any and all  
17      claims for damage to property, or injury to, or death of,  
18      any person, including Lessee, in any way resulting from or  
19      caused by the use and occupancy of said premises by the  
20      said Lessee, or injury to, or death of, any person  
21      entering upon same with his consent expressed or implied.

22      13. The Lessee shall, at his own expense, take out and keep in  
23      force during the within tenancy:

24           a. Public liability insurance in a company or companies  
25           to be approved by the Lessor, to protect against any  
26           liability to the public incident to the use of, or  
27           resulting from injury to, or death of, any person

1 occurring in, or about, the leased premises, in the  
2 amount of not less than \$ 500,000.00 to indemnify  
3 against the claim of one person, and in the amount of  
4 not less than \$ 2,000,000.00 against the claims of two  
5 or more persons resulting from any one accident; and  
6 b. Property damage or other insurance, in a company or  
7 companies to be approved by the Lessor, to protect  
8 Lessor, its officers, agents and employees, against  
9 any and every liability incident to the use of or  
10 resulting from any and every cause occurring in, or  
11 about, the premises, including any and all liability  
12 of the Lessor for damage to vehicles parked on the  
13 premises, in the amount of not less than \$ 500,000.00.  
14 Said policies shall inure to the contingent liabilities, if  
15 any, of the Lessor and the officers, agents, and employees  
16 of Lessor, in writing, not less than fifteen (15) days  
17 prior to the cancellation thereof, or any other change  
18 affecting the coverage of the policies. If said policies  
19 contain any exclusion concerning property in the care,  
20 custody or control of the insured, an endorsement shall be  
21 attached thereto stating that such exclusion shall not  
22 apply with regard to any liability of the State of  
23 California, its officers, agents, or employees. Lessee  
24 shall furnish to Lessor a certified copy of each and every  
25 such policy or a certificate of coverage within not more  
26 than ten (10) days after the effective date of the policy.  
27 Lessee agrees that, if Lessee does not keep such insurance

1 in full force and effect, Lessor may take out insurance  
2 and pay the premiums thereon, and the repayment thereof  
3 shall be deemed to be additional rent and payable as  
4 such on the next day upon which rent becomes due  
5 hereunder.

6 14. Assignment of the Lease, or sublease of the premises is  
7 prohibited, under penalty of forfeiture and the payment of  
8 damages by Lessee. No holding over by Lessee shall  
9 operate to renew this Lease.

10 15. The Lessor specifically reserves the right of entry by an  
11 authorized officer, engineer, employee, contractor, or  
12 agent of the Lessor or of the Federal Highway  
13 Administration, for the purpose of inspecting said  
14 premises, or doing any and all acts necessary or proper on  
15 said premises in connection with the protection,  
16 maintenance, reconstruction and operation of the freeway  
17 structures and its appurtenances; provided, further, that  
18 the Lessor reserves the further right, at its discretion,  
19 to immediate entry upon the leased premises and to take  
20 immediate possession of the same only in case of any  
21 national or other emergency or for the purpose of  
22 preventing sabotage, and for the protection of said  
23 freeway structures, in which event the terms of this Lease  
24 shall be extended for a period equal to the emergency  
25 occupancy by Lessor, and during said period Lessee shall  
26 be relieved from the performance of all conditions or  
27 covenants specified herein.

1     16.   This Lease shall not be recorded and the leased premises  
2           shall not be encumbered.

3     17.   The Lessor hereby covenants and agrees with the Lessee  
4           that the Lessee, keeping and performing the covenants and  
5           agreements herein contained on the part of the Lessee to  
6           be kept and performed, shall at all times during the said  
7           tenancy peaceably and quietly have, hold and enjoy the  
8           leased premises, without hindrances from the Lessor;  
9           provided, however, and it is further agreed, that if any  
10          rent shall be due and unpaid after the same shall become  
11          payable as aforesaid; or if the Lessee shall not perform  
12          and fulfill each and every one of the conditions and  
13          covenants herein contained to be performed by said Lessee;  
14          or if a petition in bankruptcy be filed by or against  
15          Lessee; or if Lessee becomes insolvent; or if any  
16          proceeding is filed to subject this Lease or the interest  
17          of Lessee herein to garnishment or sale under execution;  
18          or if Lessee makes an assignment for the benefit of  
19          creditors; or if Lessee discontinues business in the  
20          leased premises for more than a continuous 60-day period;  
21          or if Lessee attempts to sell or assign this lease; said  
22          act or acts of omission or commission may at the option of  
23          Lessor constitute a forfeiture of all rights under, the  
24          voiding of, and the ending of the term of this Lease. If  
25          any suit be brought by the Lessor against the Lessee to  
26          recover any rent, or for the breach of any condition or  
27          covenant herein contained by said Lessee, or any summary

1           action be brought by said Lessor for forfeiture of this  
2           Lease, or to recover possession of said leased premises,  
3           said Lessee agrees to pay reasonable attorney's fees and  
4           costs for commencing and prosecuting said action in an  
5           amount which shall be ascertained and fixed by the Court.  
6       18.   In the event of the termination of the within lease by the  
7           expiration thereof, or for any other reason, the Lessee  
8           will peaceably and quietly leave, surrender, and yield up  
9           to the Lessor all and singular the leased premises with  
10          said appurtenances and fixtures in good order, condition,  
11          and repair reasonable use and wear thereof, and damage by  
12          earthquake, public calamity, by the elements, by act of  
13          God or by circumstances over which the Lessee has no  
14          control, excepted. Any signs or other appurtenances  
15          placed on said premises pursuant to any provision thereof  
16          are the personal property of Lessee and shall be removed  
17          by Lessee upon the termination of the Lease and said  
18          premises shall be restored to their previous condition  
19          with the exception of surfacing, wheel rails and column  
20          guards, all at the expense of the Lessee; provided that if  
21          any such signs or other appurtenances are not so removed  
22          after thirty (30) days from written notice from the Lessor  
23          to the Lessee, the Lessor may proceed to remove the same  
24          and to restore the said premises, and the Lessee shall pay  
25          the Lessor, upon demand, the reasonable cost and expense  
26          to it of such removal and restoration, or the Lessor may  
27          in its discretion, elect to declare the same property of

1 the State, whereupon all right, title and interest of  
2 the Lessee therein shall forthwith terminate.

3 19. Time is the essence of each and all of the terms and  
4 provisions of this Lease.

5 20. Notwithstanding anything herein contained to the contrary  
6 this Lease may be altered, changed, or amended by mutual  
7 consent of the parties hereto.

8 21. Notwithstanding anything herein contained to the contrary,  
9 this Lease may be terminated at any time by Lessee upon  
10 ninety (90) days prior notice, in writing, and by the  
11 Lessor upon ninety (90) days prior notice, in writing, but  
12 in no event prior to September 30, 1989. In the event of  
13 cancellation by the Lessor, said notice shall be served  
14 upon the Lessee at his place of business in Los Angeles,  
15 California. In the event of cancellation by Lessee,  
16 said notice shall be served upon the Lessor, care of the  
17 Department of Transportation, 120 South Spring Street,  
18 Rm. 357, Los Angeles, CA 90012.

19 If Lessee does terminate, and the entire cost of  
20 improvements has not been amortized as hereinafter  
21 provided, the State shall not refund or share in the cost  
22 of improvements after cancellation of the Lease by the  
23 Lessee.

24 22. Lessee recognizes and understands in accepting this Lease  
25 that his interest therein may be subject to a possible  
26 Possessory Interest Tax that the city or county may impose  
27 on such interest, and that such tax payment shall not

1       reduce any rent due the Lessor hereunder and any such tax  
2       shall be the liability of and be paid by the Lessee.

3       23. The terms and provisions of this Lease shall extend to and  
4       be binding upon and inure to the benefits of the heirs,  
5       executors, and administrators of Lessee.

6       24. Lessee, for himself, his personal representatives,  
7       successors in interest, and assigns, as a part of the  
8       consideration hereof, does hereby covenant and agree "as a  
9       covenant running with the land" that: (1) no person, on  
10      the ground of race, color or national origin shall be  
11      excluded from participation in, be denied the benefits of,  
12      or otherwise subjected to discrimination in the use of  
13      said facilities, (2) that in connection with the construc-  
14      tion of any improvements on said land and the furnishing  
15      of services thereon, no discrimination shall be practiced  
16      in the selection of employees and contractors, by  
17      contractors in the selection and retention of first-tier  
18      sub-contractors and by first-tier sub-contractors in the  
19      selection and retention of second-tier sub-contractors,  
20      (3) that such discrimination shall not be practiced  
21      against the public in their access to and use of the  
22      facilities and services provided for public accommodations  
23      such as eating, sleeping, rest, recreation, and vehicle  
24      servicing constructed or operated on, over, or under the  
25      space of the right of way, and (4) that Lessee shall use  
26      the land in compliance with all other requirements imposed  
27      pursuant to Title 49, Code of Federal Regulations Part 21

1 (49 C. F. R., Part 221) and as said regulations may be  
2 amended.

3 In the event of any breach of the above nondiscrimination  
4 covenants, the lessor shall have the right to terminate  
5 this Lease, and to reenter and repossess said land and the  
6 facilities thereon and hold the same as if said Lease had  
7 never been made or issued.

8 25. Lessor and Lessee hereby agree that Lessee shall, at  
9 Lessee's expense, construct devices protecting all freeway  
10 supporting columns by vehicles other than automobiles,  
11 being parked on said leased premises. Freeway column  
12 protection devices shall be constructed according to  
13 Lessor's specifications, said specifications shall be  
14 furnished to Lessee by Lessor.

15 Within fifteen (15) days after execution of this Lease,  
16 Lessee shall submit for approval, construction plans for  
17 said freeway column protection devices.

18 Lessee shall, at no expense to Lessor, submit to Lessor an  
19 application for Lessor's standard encroachment permit for  
20 said construction of freeway supporting column protection  
21 devices, and shall not commence said construction until  
22 said encroachment permit is issued by Lessor. Lessee  
23 further agrees to comply with all Lessor's requirements in  
24 granting said encroachment permit.

25 Lessee shall, within thirty (30) days of the lease being  
26 fully executed, furnish to Lessor three (3) bids from  
27 licensed contractors to furnish and install said freeway

1 supporting column protection devices. Within fifteen (15)  
2 days after approval by Lessor, of the column protection  
3 plans submitted by Lessee to Lessor, construction of said  
4 freeway column protection devices shall commence and be  
5 completed within fifteen (15) days thereof.

6 Lessee may be compensated for a maximum of fifty (50)  
7 percent of the total cost of the installation of said  
8 freeway column protection devices by submitting to  
9 Lessor, upon completion of construction, invoices marked  
10 "paid" from Lessee's contractor. Lessor upon receiving  
11 said invoices shall reimburse Lessee for one-half of the  
12 amount shown on said invoices, or by the total rent due  
13 for the term of this lease, whichever is the lesser  
14 amount, by deducting said amount from the appropriate next  
15 month's or months' rent due.

- 16 26. Hazardous materials are those substances listed in  
17 Division 4, Chapter 30, Article 9 of Title 22, California  
18 Administrative Code, or those which meet the toxicity,  
19 reactivity, corrosivity or flammability criteria of  
20 Article 11 of the above Code, as well as any other  
21 substance which poses a hazard to health or environment.  
22 Except as otherwise permitted in this lease, Lessee shall  
23 not use, create, store or allow any such substances on the  
24 premises. Fuel stored in a motor vehicle for the  
25 exclusive use in such vehicle is excepted.  
26 In no case shall Lessee cause or allow the deposit or  
27 disposal of any such substance on the leased property.

1 Lessor, or its agents or contractors, shall at all times  
2 have the right to go upon and inspect the leased premises  
3 and the operations conducted thereon to assure compliance  
4 with the requirements herein stated. This inspection may  
5 include taking samples of substances and materials present  
6 for testing, and/or testing soils or underground tanks on  
7 the premises.

8 Breach of any of these covenants, terms and conditions  
9 shall give Lessor authority to immediately terminate this  
10 lease. It is the intent of the parties hereto that the  
11 lessee shall be responsible for and bear the entire cost  
12 of removal and disposal of hazardous materials or waste  
13 introduced to the premises during Lessee's period of use  
14 and possession as owner, operator or Lessee of the  
15 property. The Lessee shall also be responsible for any  
16 cleanup and decontamination on or off the leased premises  
17 necessitated by such materials or waste.

18 Lessee shall further hold the State and any officer or  
19 employee, harmless from all responsibility, liability and  
20 claim for damages resulting from the presence or use of  
21 hazardous materials on the premises during the Lessee's  
22 period of use and possession.

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25 IN WITNESS WHEREOF, this Indenture has been executed  
26 in triplicate by the parties hereto as of the date herein  
27 first above written.

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LESSEE: Lawry's Foods, Inc.

Dated:

June 21, 1989

By

Ed Williams  
Ed Williams

570 West Avenue 26  
Address

Los Angeles, CA  
City, State

90065  
Zip Code

(213) 224-6899  
Phone Number

LESSOR

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

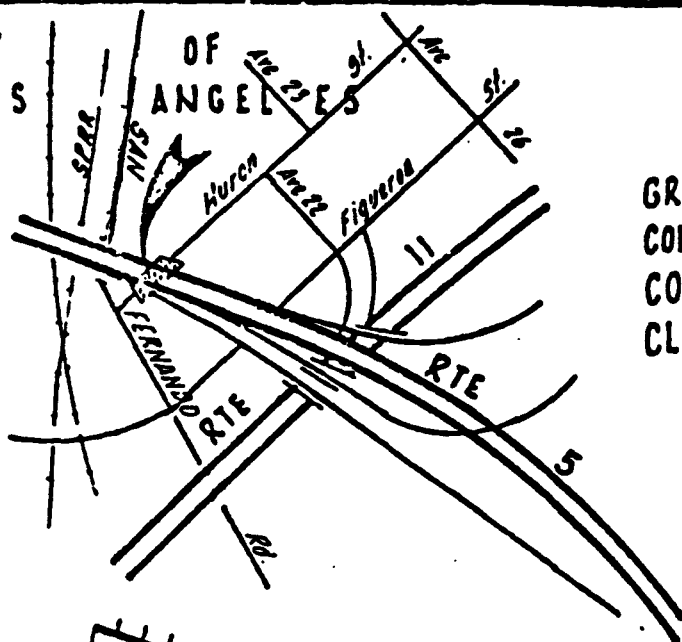
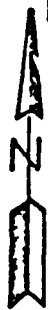
Dated:

6-26-89

By

Richard M. Robison  
RICHARD M. ROBISON  
Chief, R/W Airspace  
Development Branch

CITY  
LOS

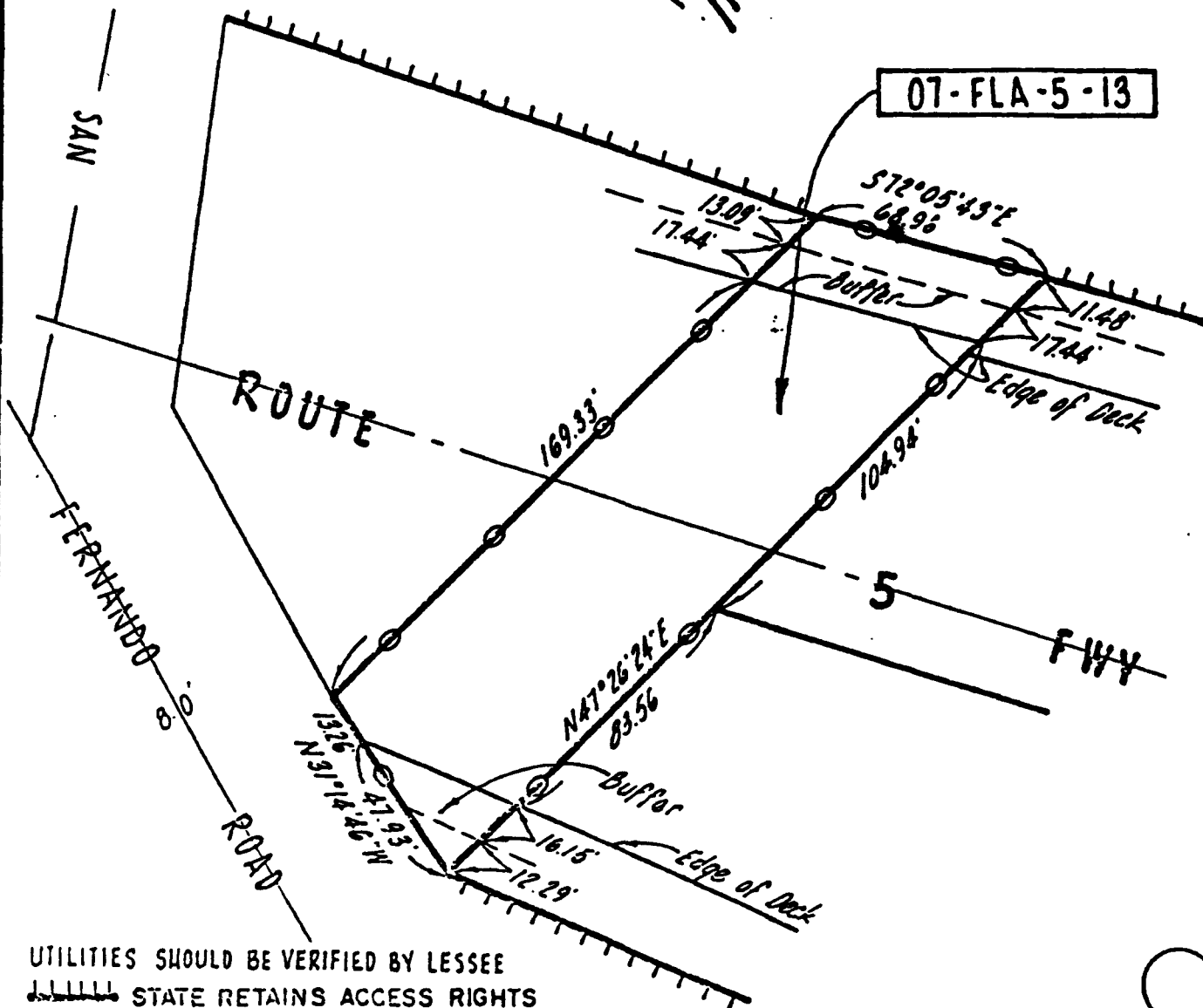


DIST.	COUNTY	RTE.	P.M.
07	LA	5	20.4

FLA-5-13

GROSS AREA : 13,372'  
COLUMN AREA : 0  
COVERED AREA : 10,917'  
CLEAR AREA : 2455'

07-FLA-5-13



UTILITIES SHOULD BE VERIFIED BY LESSEE  
STATE RETAINS ACCESS RIGHTS  
CHAIN LINK FENCE

STATE OF CALIFORNIA — DEPARTMENT OF TRANSPORTATION — DISTRICT 07

INVENTORY

FREEWAY LEASE AREA  
07-FLA-5-13

SCALE: 1" = 100'  
DRWN: DF CHKD: LC  
DATE: May 1980